

11 KAR 5:160. Disbursement procedures.

RELATES TO: KRS 164.7535, 164.780, 164.785

STATUTORY AUTHORITY: KRS 164.748(4), 164.753(4)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.748(4) requires the authority to promulgate administrative regulations pertaining to the awarding of grants, scholarships, and honorary scholarships as provided in KRS 164.740 to 164.7891. KRS 164.753(4) requires the authority to promulgate administrative regulations pertaining to grants. This administrative regulation establishes the disbursement procedures for KHEAA grant programs.

Section 1. Eligibility Verification. (1) The KGPO shall certify the eligibility of students and submit to the authority a complete and accurate eligibility verification file (EVF), according to instructions accompanying the eligibility verification file layout provided by the authority, to indicate which KHEAA grant recipients are actually enrolled at the institution.

(2) The educational institution shall submit to the authority a properly certified eligibility verification file (EVF):

(a) For the fall academic term, by:

1. October 1 for educational institutions using nonquarter hour academic terms; and
2. October 15 for educational institutions using quarter hour academic terms; and

(b) For the spring academic term, by:

1. February 15 for educational institutions using nonquarter hour academic terms; and
2. April 15 for educational institutions using quarter hour academic terms.

(3) The instructions accompanying the eligibility verification file layout shall specify:

(a) Conditions under which a KHEAA grant shall be disbursed to the benefit of the KHEAA grant recipient; and

(b) Conditions under which KHEAA grant funds shall be returned to the authority.

(4) If the KGPO fails to provide complete and accurate information in the proper format in the eligibility verification file according to the instructions or fails to submit the file to the authority by the deadline established in subsection (2) of this section, the authority shall not advance KHEAA grant funds in the next academic term until the file for the next academic term is properly certified and submitted.

Section 2. Disbursement and Delivery of Funds. KHEAA grant funds shall be disbursed by the authority twice during an academic year to educational institutions for subsequent delivery to eligible students or application of the funds to the accounts of eligible students during the academic term for which the funds are received by the educational institution.

(1)(a) Except as provided in Section 1(4) of this administrative regulation and subject to the availability of funds, the authority shall disburse in August to educational institutions, for subsequent delivery to eligible students or application of the funds to the accounts of eligible students enrolled at the institution during the fall academic term, the amount of KHEAA grant funds equal to the total amount of KHEAA grant funds that the institution properly paid to students for the fall academic term of the preceding academic year.

(b) Except as provided in Section 1(4) of this administrative regulation and subject to the availability of funds, the authority shall disburse in January to educational institutions, for subsequent delivery to eligible students or application of the funds to the accounts of eligible students enrolled at the institution during the spring academic term, the amount of KHEAA grant funds equal to the total amount of KHEAA grant funds that the institution properly paid to students for the spring academic term of the preceding academic year.

(2) The educational institution shall deliver KHEAA grant funds to eligible students or apply

KHEAA grant funds to the accounts of eligible students enrolled for the academic term beginning not earlier than ten (10) days before the first day of classes of each semester, trimester or quarter of the academic term.

(3)(a) Upon receipt of the properly certified eligibility verification file for that academic term, the authority shall process the EVF data and update the grant database with award information.

(b) Based on the newly-revised database, the authority shall generate a semester college disbursement report/file for each institution.

(c) Based on this update, the authority shall determine through a reconciliation process whether any additional funds are owed to or refunds are due from the institution.

1. If additional funds are owed to the institution, the authority shall forward those funds to the institution.

2. If refunds are due from the institution, the authority shall bill the institution.

(4) Not later than thirty (30) days after the end of the academic term, the KGPO shall return to the authority, according to instructions attached to the eligibility verification file layout, all funds advanced for that academic term that remain undisbursed to eligible students. The authority may withhold any services and funds from the educational institution from the due date until the eligibility verification file and all funds advanced, that remain undisbursed to eligible students, are received by the authority.

Section 3. A KTG awarded for the academic year shall be disbursed by the authority:

(1) To institutions using nonquarter hour academic terms, in the amount of one-half (1/2) for the fall academic term and one-half (1/2) for the spring academic term; and

(2) To institutions using quarter hour academic terms, no more than one-third (1/3) per quarter.

Section 4. (1) A CAP grant awarded for the academic year shall be disbursed by the authority:

(a) To institutions using nonquarter hour academic terms, in the amount of one-half (1/2) for the fall academic term and one-half (1/2) for the spring academic term; and

(b) To institutions using quarter hour academic terms, no more than one-third (1/3) per quarter.

(2) The educational institution shall adjust the amount of the CAP grant delivered to an eligible student or applied to the account of an eligible student enrolled at the institution if the student is enrolled part time during the academic term.

Section 5. (1) KHEAA grants disbursed by the authority to eligible students enrolled at an educational institution that uses a short winter term in combination with longer fall and spring terms shall be applied by the institution to the student's account or delivered to the student so that the first disbursement shall be in the fall academic term and the second disbursement shall be in the spring academic term.

(2) Enrollment during the shorter winter academic term shall not qualify a student for KHEAA grant assistance for that academic term. Credit hours for which the student is enrolled during the short winter academic term may be added to credit hours for which the student enrolls in the fall and spring academic terms to establish enrollment as a full-time student during those academic terms.

Section 6. (1) The educational institution shall:

(a) Be responsible for proper disbursement of KHEAA grants to the eligible students during the academic term for which the grants are intended;

(b) Not make KHEAA grant funds available to the grant recipient nor apply those funds to the recipient's account:

1. Prior to the date that the recipient has completed the registration requirements (except for

the payment of tuition and fees) at the institution for each academic semester or quarter for which the KHEAA grant is awarded; or

2. After the end of the academic term for which the funds are received by the institution;

(c) Be liable for disbursement to the wrong individual or to an ineligible student or for untimely disbursement pursuant to this section; and

(d) Make restitution to the authority of any amount improperly disbursed.

(2) Failure of the institution to make restitution when required shall, without precluding other remedies, be deemed cause for limitation, suspension or termination of the participation of the institution in accordance with 11 KAR 4:020. (15 Ky.R. 1605; eff. 2-3-89; Am. 16 Ky.R. 2688; eff. 8-9-90; 18 Ky.R. 3481; eff. 8-1-92; 21 Ky.R. 57; eff. 9-12-94; 2154; eff. 5-4-95; 26 Ky.R. 2279; 27 Ky.R. 470; eff. 8-14-2000; 28 Ky.R. 651; eff. 11-5-01; 29 Ky.R. 167; 741; 905; eff. 10-7-02; 30 Ky.R. 357; 834; eff. 10-31-03; 31 Ky.R. 1318; 1504; eff. 3-11-05.)